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TAGS: [PREL](#) [PGOV](#) [EFIN](#) [IZ](#) [UNSC](#)
SUBJECT: NEW YORK: DFI NEGOTIATIONS UPDATE

¶1. (SBU) Ambassador Khalilzad met with Iraqi PR Bayati on December 9 to discuss a draft Security Council resolution renewing immunities for Iraqi assets including the Development Fund for Iraq (DFI) and extending the International Advisory and Monitoring Board (IAMB). The Ambassador encouraged Bayati to focus on getting yes votes from Russia, South Africa, Indonesia and Libya, urging Bayati to use the Arab League to lobby Libya and South Africa, and the OIC to lobby Indonesia. Bayati said he would do so immediately, and noted that FM Zebari would likely arrive in New York on December 14 to lobby for adoption of the resolution. Bayati said he had spoken to the Russian Deputy PermRep, who told him that Moscow in general had no problem with the resolution, but would probably request more oversight by the Security Council, including reports and/or briefings on DFI/IAMB.

¶2. (SBU) USUN distributed the draft resolution to the P5 on December 9 and to the full Council on December 10, with possible adoption on December 17. In preliminary reactions from the P5 expert level on December 9, Russia said (tracking with what Bayati told Amb. Khalilzad) that it would ask for DFI/IAMB briefings by both the UN and the IMF. Russia noted that they would like to increase Council oversight of DFI/IAMB. (Note: Last December, the Security Council received a DFI/IAMB briefing by the UN Comptroller, but an attempt to schedule a briefing with the IMF in Washington was not successful. End Note.) France also intimated that it would agree to increased oversight by the Security Council. A possible solution is to include language in the resolution to schedule either quarterly or 6-month briefings on DFI/IAMB.

¶3. (SBU) USUN is pursuing the following timeline for adoption of the DFI/IAMB renewal resolution:

December 9: Distribution to the P5
December 10: Distribution to the full Council
December 12: First meeting of Council experts to discuss the resolution
December 15 (if necessary): Second meeting of Council experts
December 16: Resolution goes into "blue"
December 17: Adoption (and possible UN Comptroller briefing on DFI/IAMB)

Khalilzad